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Editorial: Time for action

Investigate gas pricing, raise CAFE standards

After Hurricane Katrina hit and gas prices in unaffected areas rose as fast as floodwaters in New Orleans, Rep. Maurice Hinchey, D-Hurley, led 94 fellow House of Representatives members in asking the Department of Justice and the Federal Trade Commission to launch an investigation into price gouging by the oil industry.

The Sept. 8 letter they co-signed said "Although supply disruptions and refinery shutdowns from the hurricane have certainly added to the gasoline price mayhem, we believe it is only part of the picture, and as such we are requesting an immediate investigation into other possible wrongdoing by industries that are making record profits at the expense of average American families."

The group cited similar suspect price hikes after the Sept. 11 attacks. Investigations followed in those cases and violators were issued hefty fines.

In a meeting with the *Press & Sun-Bulletin* editorial board on Monday, Hinchey said the current situation reminded him of when President John F. Kennedy made a speech April 10, 1962, on steel pricing during the Berlin crisis.

"Simultaneous and identical actions of United States Steel and other leading steel corporations, increasing steel prices by some \$6 a ton, constitute a wholly unjustifiable and irresponsible defiance of the public interest," Kennedy said.

"In this serious hour in our nation's history, when we are confronted with grave crises in Berlin and Southeast Asia, when we are devoting our energies to economic recovery and stability, when we are asking Reservists to leave their homes and families for months on end, and servicemen to risk their lives -- and four were killed in the last two days in Viet Nam -- and asking union members to hold down their wage requests, at a time when restraint and sacrifice are being asked of every citizen, the American people will find it hard, as I do, to accept a situation in which a tiny handful of steel executives whose pursuit of private power and profit exceeds their sense of public responsibility can show such utter contempt for the interests of 185 million Americans."

Kennedy noted "at a time when they could be exploring how more efficiency and better prices could be obtained, reducing prices in this industry in recognition of lower costs, their unusually good labor contract, their foreign competition and their increase in production and profits which are coming this year, a few gigantic corporations have decided to increase prices in ruthless disregard of their public responsibilities."

That crisis mirrors eerily the one we now face with energy. Hinchey said President Bush could choose the route Kennedy did, but he hasn't. This country needs "a comprehensive energy policy, using all types of energy," Hinchey said. Instead, this administration takes the attitude of allowing the marketplace to determine what direction our "policy" takes.

With that mindset, oil companies and auto manufacturers are allowed to shun corporate average fuel economy (CAFE) standards. Of course, the automakers have the ability to make 30 miles

per gallon the standard for all cars -- and the technology to significantly boost mileage for popular SUVs as well -- but that would cut into their profit margins, more than \$125 billion for the oil industry in 2004 -- Hinchey said.

Rep. Sherwood Boehlert, R-New Hartford, is equally outspoken about the lack of coherent energy policy and the need for improved CAFE standards. As chairman of the Science Committee, he is leading a bi-partisan effort to raise CAFE standards from the current level of 25 miles per gallon to 33 mpg over the next 10 years, which would save 2.6 million barrels of oil per day.

Boehlert and others have cited a 2002 National Academy of Sciences study which showed that existing technologies can allow cars and trucks to go much farther on a gallon of gasoline - without sacrificing today's features or safety. And the NAS report didn't even get into new technologies such as hybrids and clean diesel engines.

But it's going to take more than our representatives in Congress to cut through this oil slickness. It's going to take a grass-roots effort by all consumers to demand higher CAFE standards and development of all forms of energy. We must break our dependence on imported oil (60 percent). And companies that continue to gouge consumers should be prosecuted.

Take a moment to write or call Attorney General Alberto Gonzales and Federal Trade Commission Chairwoman Deborah Majoras today.